

COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON 25

B-115369

March 6, 1963

Honorable John A. McCone  
Director, Central Intelligence Agency

Dear Mr. McCone:

Herewith is a copy of our report to the Congress on our study of the relative financial advantages of purchasing over leasing of electronic data processing equipment in the Federal Government.

The report shows that very substantial financial savings can be realized by the Federal Government if more of its needs for data processing equipment are purchased and if such equipment is more fully utilized. We are recommending to the President of the United States that he establish in his organization a small management office with authority and responsibility to perform the kind of central, coordinated management which we believe is necessary to more fully realize the savings that are possible through more extensive purchasing and more complete utilization of data processing equipment.

The report also contains a general recommendation to the heads of all using departments and agencies that they arrange for a prompt and complete reappraisal of their current plans to lease data processing equipment and take such action as is possible to realize the financial savings that may be available from purchasing such equipment and fully utilizing it.

Sincerely yours,

Comptroller General  
of the United States

(EXECUTIVE REGISTRY FILE)

Enclosure

APR 11 5 58 PM '63

APR 11 10 14 AM '63

APR 11 15 11 PM '63

APR 13 1 11 PM '63

APR 8 10 12 PM '63

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**CENTRAL INTELLIGENCE AGENCY  
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2	DDCI		<i>Ed</i>
3	ER		
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<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/> APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
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**Remarks:**

Copy of letter together with its  
attachment sent to DD/S for Automatic Data  
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Executive Director	8 Mar 63

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CONFIDENTIAL

B-143722



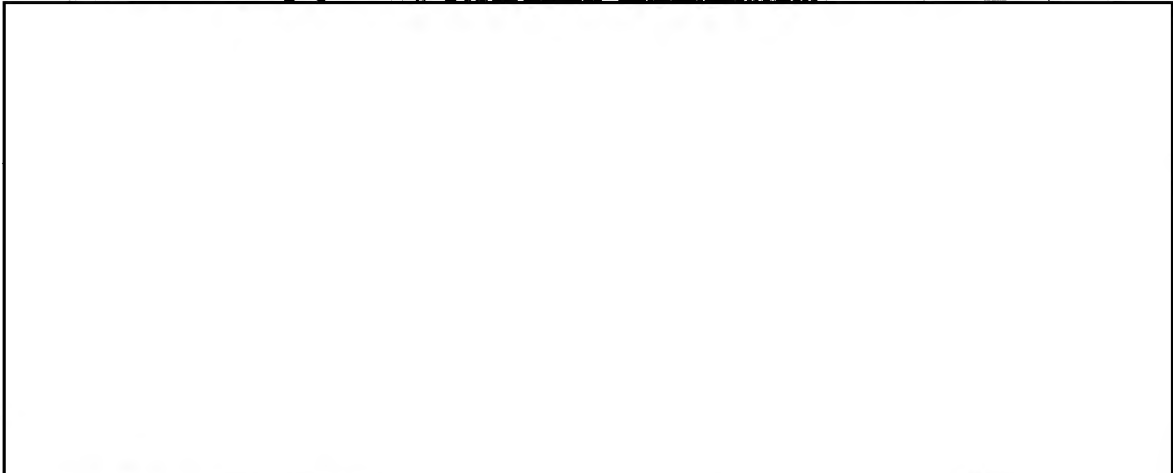
25X

**\*Question 3.**

"a. If an individual reaches optional retirement age after termination, would it be necessary to discontinue separation compensation payments to him at that time?

"b. If an individual terminated under the program later applies for, and is approved for, disability retirement, will it be necessary to discontinue payment of separation compensation at that time?

"c. In a situation where, after some separation payments are made to an individual, it is learned that he has been receiving in addition a disability retirement annuity, will it be necessary to recover back the total money paid as separation compensation?



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**"Question 4. Would it be correct to interpret this regulation to mean that a person may be authorized separation compensation based upon his total Agency service?"**

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CONFIDENTIAL

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1	<i>Espec Dir</i>	<i>LBK</i>	<i>3 Aug</i>		
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3	<i>FR - FIVE</i>				
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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
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Remarks:					
<p><i>Orig went to Mr. Houston,</i>  <i>General Counsel -</i>  <i>per Mr. [ ]</i></p> <p><i>If such stuff are</i>  <i>lawyers made!</i></p>					
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Executive Registry

62-5221

XR 62-5576

17 JUL 1962

✓  
The Honorable Joseph Campbell  
The Comptroller General  
of the United States  
Washington 25, D. C.

Dear Mr. Campbell:

On 31 August 1960 the Comptroller General, replying to a request from the Director of Central Intelligence dated 4 August 1960 for an opinion regarding the payment of separation compensation, wrote that there would be no objection to the Central Intelligence Agency's promulgating a regulation concerning such payments to certain employees terminated by the Agency under a surplus personnel program. The Agency adopted such a regulation, [redacted] which is enclosed. In administering the provisions of that regulation, various questions of interpretation now have arisen about which we request your opinion. According to [redacted] separation compensation may be authorized to

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715 [unclear]  
The philosophy behind the payment of separation compensation to employees terminated as surplus is basically to provide a person designated as surplus with a sum of money to facilitate his change-over to different employment or work.

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**Question 2. Would subsequent payments also be free from dual compensation restrictions ?**

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**Question 3.**

**a. If an individual reaches optional retirement age after termination, would it be necessary to discontinue separation compensation payments to him at that time ?**

**b. If an individual terminated under the program later applies for, and is approved for, disability retirement, will it be necessary to discontinue payment of separation compensation at that time ?**

**c. In a situation where, after some separation payments are made to an individual, it is learned that he has been receiving in addition a disability retirement annuity, will it be necessary to recover back the total money paid as separation compensation ?**

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**Question 4. Would it be correct to interpret this regulation to mean that a person may be authorized separation compensation based upon his total Agency service ?**



We would greatly appreciate it if we could have your opinion by 3 August 1962 so that we would be in a position to make separation payments promptly and at the same time on a sound basis.

Faithfully yours,

Marshall S. Carter  
Lieutenant General, USA  
Acting Director

Enclosure

OGC:MCM:elw (20 July 1962)  
Distribution  
O&I-Addressee  
1-A-DCI  
1-DDCI  
1-ER  
1-IG  
1-DD/S  
1-Comptroller  
1-D/Personnel  
1-General Counsel w/background

TRANSMITTAL SLIP		DATE
TO: ADCI		<i>ER</i>
ROOM NO. 7D60	BUILDING	
REMARKS:		
FROM: OGC		
ROOM NO. 7D07	BUILDING	EXTENSION 7531

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

GPO : 1957-O-439445

(47)

Administrative Stamp

62-3540

24 May 1962

Dear Joe:

I thought we were going to get together tomorrow but it is now my understanding the matter has been cancelled. Nevertheless, I am anxious to see you. I have no pressing problems concerning the Central Intelligence Agency, but I do want to see you again as it is now one and a half years since we have had a visit. Furthermore, I think it would be useful for us to discuss fiscal affairs of the entire Intelligence Community.

I will have my secretary keep in touch with yours to set a time mutually convenient. Possibly we can meet sometime late in the afternoon at either my house or yours.

With warm personal regards.

Sincerely,

/s/ John

John A. McCone  
Director

The Honorable Joseph Campbell  
Comptroller General of the United States  
General Accounting Office  
Washington 25, D. C.

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